House Calendar No. 89

100TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
100-382

IN THE MATTER OF REPRESENTATIVE RICHARD H. STALLINGS

REPORT

OF THE

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT HOUSE OF REPRESENTATIVES

OCTOBER 20, 1987.—Referred to the House Calendar and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

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WASHINGTON : 1987

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COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

JULIAN C. DIXON, California, *Chairman*

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THOMAS E. PETRI, Wisconsin
LARRY E. CRAIG, Idaho

RALPH L. LOTKIN, *Chief Counsel*
JAN LOUGHRY, *Administrative Assistant*

LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,
Washington, DC, October 20, 1987.

Hon. JIM WRIGHT, *Speaker,*
House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: By direction of the Committee on Standards of Official Conduct, I herewith submit the attached report, "In The Matter of Representative Richard H. Stallings."

Sincerely,

JULIAN C. DIXON,
Chairman.

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House Calendar No. 89

100TH CONGRESS *1st Session* | HOUSE OF REPRESENTATIVES | REPORT 100-382

IN THE MATTER OF REPRESENTATIVE RICHARD H. STALLINGS

OCTOBER 20, 1987.—Referred to the House Calendar and ordered to be printed

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Mr. DIXON, from the Committee on Standards of Official Conduct, submitted the following

REPORT

I. INTRODUCTION

The Committee on Standards of Official Conduct (the "Committee") is authorized under the Rules of the House of Representatives (House Rule X, clause 4(e)(2)(B)), to investigate, in accordance with the Committee's Rules of Procedure, any alleged violation by a Member, officer, or employee of the House, of the Code of Official Conduct (House Rule XLIII). In addition, alleged violations of any law, rule, regulation, or other standard applicable to the conduct of such Member, officer, or employee, in the performance of his or her duties, or the discharge of his or her responsibilities are within the Committee's jurisdiction.

On September 11 and September 14, 1987, news articles reported that Representative Stallings' campaign organization lent $1,000 on March 9, 1987, to the congressman's administrative assistant for personal expenses, and lent $4,800 on April 17, 1987, to the congressman to enable his purchase of a car. According to the news articles, the loan to the administrative assistant was "to help the congressional aide through a personal short-term financial crisis." Regarding the loan to Congressman Stallings, news reports indicated that the transaction was undertaken to enable the congressman's purchase of a "car that will be kept in Idaho and used for campaign and personal purposes."

In the light of the news reports, the Committee obtained information corroborating that questionable financial transactions may have occurred in March and April, 1987, in connection with loans made from the congressman's campaign committee. Thus, as an exercise of authority and pursuant to the Committee's Rules of Proce-

dure, the Committee determined that a Preliminary Inquiry should be undertaken with the view towards ascertaining all relevant facts and reaching an appropriate disposition of the matter. To this end, a Resolution of Preliminary Inquiry (Exhibit A) was adopted on September 23, 1987, and Representative Stallings was notified of that Committee action (Exhibit B).

This report contains the results of the Committee's investigation undertaken pursuant to the Resolution.

II. HIGHLIGHTS

The Preliminary Inquiry established that, on two occasions, loans were made from Representative Stallings campaign organization—one loan to the congressman and one loan to the congressman's administrative assistant—under circumstances that were in violation of House Rule XLIII, clause 6. Representative Stallings did not contest the Committee's findings and, in fact, confirmed the information obtained by the Committee during the Preliminary Inquiry.

In order to expedite the matter, and in light of his acknowledgement that the subject transactions ran afoul of House Rule XLIII, clause 6, Congressman Stallings waived his rights under the Committee's Rules of Procedure with respect to the issuance of a Statement of Alleged Violation and disciplinary hearing. In this connection, Representative Stallings admitted that error had been made in undertaking the two transactions and indicated that there was no intent on his part to hide the loans (since they had been fully disclosed on his F.E.C. reports). Rather, Representative Stallings said that the transactions were undertaken due to his failure to inquire about restrictions on use of campaign funds imposed by House Rule XLIII, clause 6, based upon his mistaken assumption that the loans were governed only by the Federal Election Campaign Act (FECA).

The Committee believes that, under the circumstances here involved, a recommendation to the House of sanction would be inappropriate. Instead, the Committee concludes that Representative Stallings should receive a letter from the Committee reproving him for his violations. Accordingly, such correspondence will be sent to Representative Stallings and made publicly available along with this report.

III. RESULTS OF INVESTIGATION

The Preliminary Inquiry focused on two transactions that involved Congressman Richard Stallings' campaign organization. In the first transaction, the campaign organization loaned $1,000 on March 9, 1987, to Mr. Gary Catron, Representative Stallings' Administrative Assistant. Documents filed with the F.E.C. (App. 1) disclosed that this loan, which was initiated on March 9, was to be repaid on September 30, 1987, with 7 percent interest. By letter dated September 29, 1987, Congressman Stallings notified the Committee that this loan had been fully repaid. (App. 2)

Furthermore, by letter of October 5, 1987, Representative Stallings, in response to a Committee inquiry (Exh. C), informed the Committee that the loan was to ease Mr. Catron's "short-term need for funds for personal purposes" and, therefore, was not undertak-

en for the sole and exclusive benefit of the Stallings campaign organization. (App. 3)

The Preliminary Inquiry also established, and Representative Stallings confirmed, that a loan to him was made on April 17, 1987, in the amount of $4,800 at 7 percent interest. (App. 3) In his October 5, 1987, letter to the Committee, the congressman indicated that this loan was to enable his acquisition of an automobile which cost $5,621.50, the use of which was for both personal and campaign purposes in the congressman's district in Idaho. Again, Representative Stallings stated that this loan was not undertaken for the sole and exclusive benefit of the campaign, a conclusion readily apparent given the mixed use of the automobile. Finally, in his October 5, 1987, letter, Representative Stallings stated that he participated in the process giving rise to the two loans.

IV. LEGAL ANALYSIS

Clause 6 of the Code of Official Conduct, House Rule XLIII, states:

> A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and *he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.* (Emphasis added.)

In this Committee's report entitled, "Investigation of Financial Transactions of Representative James Weaver with his Campaign Organization", the Committee construed the scope and application of clause 6:

> *Any use of campaign funds which personally benefit the Member rather than to exclusively and solely benefit the campaign is not a "bona fide campaign purpose."* Moreover, a bona fide campaign purpose is not established merely because the use of campaign money might result in a campaign benefit as an incident to benefits personally realized by the recipient of such funds * * * Any other interpretation and application of the third prohibition of Rule XLIII, clause 6, would open the door to a potentially wide range of abuse and could result in situations where campaign monies were expended for the personal enjoyment, entertainment, or economic well-being of an individual without any clear nexus that the funds so expended achieved any political benefit to the disbursor (campaign organization) of the funds * * * The test of the propriety of any such campaign expenditure is, in the words of Rule XLIII, clause 6, whether the expenditure is 'attributable to a bona fide campaign purpose' and not whether the campaign has made money from that expenditure. * * * In the case of a campaign organization lending money *to its own candidate,* the committee would expect such bona fide loan transactions to be attended by facts supporting the need

> for a loan to the candidate as opposed to a direct expenditure. H. Rep. 99-933, pp. 13-14. [Emphasis added.]

In the light of the above-quoted portions of the Weaver report, it is clear that the subject two loans were made in violation of the cited Rule; that is, they were not undertaken to "solely and exclusively" benefit the Stallings campaign organization. In his October 5, 1987, letter, Representative Stallings acknowleged the subject violations.

V. CONCLUSIONS

A. The loan to Mr. Catron for $1,000 undertaken on March 9, 1987, was to ease that individual's short-term financial difficulties and was, therefore, not for the sole and exclusive benefit of the Stallings campaign organization. Accordingly, this loan transaction was in violation of House Rule XLIII, clause 6.

B. The loan to Congressman Stallings for $4,800 undertaken on April 17, 1987, was to enable the congressman's acquisition of an automobile to be used for campaign and personal purposes. Accordingly, since this transaction was not for the sole and exclusive benefit of the Stallings campaign organization, it, too, was a transaction which violated House Rule XLIII, clause 6.

VI. RECOMMENDATION

In reaching its decision on the appropriate disposition of this case, the Committee was guided by several important considerations—the nature of the violation and factors in mitigation. This approach is well-established.

In the *Manual of Offenses and Procedures, Korean Influence Investigation*, (the *"Manual"*) June 1977, the Committee offered, in part, a detailed explanation of the process and considerations underlying sanction recommendations. The *Manual* states, in part:

> House rule XLIII does not specify the sanction to be imposed upon a finding that a Member failed to adhere to the Code of Official Conduct. The committee should evaluate the particular circumstances of each violation to determine whether any sanction is warranted and, if so, the severity of the sanction that is appropriate under circumstances. *Manual*, p. 31.

In applying the above-quoted approach to specific fact situations, the *Manual* goes on to state:

> In sum, the Committee should adopt the substantive * * * code provisions * * * to the disciplinary context by considering the recommendation of sanctions where the substance of those provisions was violated by a Member acting: (1) with actual knowledge of all the relevant facts; (2) in reckless disregard of the relevant facts; or (3) without exercising reasonable care to ascertain the propriety of the gift or compensation accepted or of the transaction when he participated.

* * * * *

> Similarly, violation of the * * * various code of conduct standards, which do not by their terms require any knowledge or intent, would provide a basis for imposing sanctions only upon proof that the Member was placed on notice of an ethical problem and failed to discharge his duty of reasonable inquiry to determine the propriety of accepting the tendered gift or payment. *Manual*, pp. 35–36.

The above-quoted excerpts have applicability to a violation of House Rule XLIII, clause 6, as much as they have to transgressions involving Members' receipt of gifts, which was central to the considerations in the *Manual*. Both matters are covered by the Code of Official Conduct, House Rule XLIII. In either case, the Committee considers the violation identifiable as well as whether the Member was on actual notice of an ethical problem and exercised reasonable care in the matter. In other words, the Committee considers not only the violation, per se, but also factors in mitigation, including, for example, intent when determining the appropriate sanction.

Turning to the instant violation, it is readily apparent that the subject House Rule and the restrictions imposed by its clear terms operate to preclude situations such as here involved. Moreover, this Committee, on September 30, 1986, in connection with the report concerning former Representative James Weaver, offered guidance to all Members regarding the operation of the Rule. Consequently, while he may not have been personally and directly informed (i.e., have "actual notice") as to the limitations of clause 6, it nevertheless remains that Representative Stallings was placed on constructive notice of the relevant prohibitions by virtue of the existence of the Rule itself as well as issuance of the Weaver report.

As regards factors in mitigation, several matters warrant consideration. First, there was no evidence of any improper intent on the part of Congressman Stallings either to conceal the subject transactions or to act in violation of the constraints imposed by House Rule XLIII, clause 6—the two loans were fully disclosed on the appropriate F.E.C. reports. Second, the violations arose out of Representative Stallings' mistaken assumption that the loans were governed exclusively by the Federal Election Campaign Act. And, third, as soon as he became aware of his oversight of the controlling restriction under House Rules, Representative Stallings took corrective action on his own initiative. (See Apps. 2 and 3.)

The subject Preliminary Inquiry established that Representative Stallings, through his Administrative Assistant, did attempt to obtain guidance on the propriety of the loan transactions. Specifically, Mr. Catron called the F.E.C. asking about the matter. While it is true that transactions of the type here involved are within the jurisdiction of *both* the F.E.C. (Federal Election Campaign Act) *and* this Committee (House Rule XLIII, clause 6), it is also clear that an effort was made to obtain guidance, albeit inadequately. Finally, when apprised of the matter of impropriety, both Representative Stallings and Mr. Catron repaid the loans.

In view of the above, the Committee concludes that while Representative Stallings acted reasonably vis his inquiries to the F.E.C., the same conclusion *cannot*, however, be reached in connection with the congressman's action vis Rule XLIII, clause 6. Again, Rep-

resentative Stallings is deemed to have been on constructive notice of the subject prohibition. To conclude otherwise would effectively result in the condonation of improper action based upon a defense of ignorance of House Rules. Such an approach is clearly untenable on its face. At a minimum, Members have both the duty and responsibility to be aware of relevant House Rules and to conform their actions accordingly.

In the present case, the Committee concludes that sufficient mitigation was present to render unnecessary a sanction recommendation to the House. Rather, the Committee believes the better course is to formally and publicly reprove Representative Stallings for his violations. Accordingly, the Committee has sent such a letter to Representative Stallings on the matter, a copy of which will be made publicly available in conjunction with issuance of this report.

This report was approved by the Committee on Standards of Official Conduct on October 15, 1987, by a vote of 12 ayes; 0 nays.

Statement Under Clause 2(l)(3)(A)

The Committee's oversight findings and recommendation are as stated above. No budget statement is submitted.

ONE HUNDREDTH CONGRESS
JULIAN C. DIXON, CALIFORNIA, CHAIRMAN
VIC FAZIO, CALIFORNIA
BERNARD J. DWYER, NEW JERSEY
ALAN B. MOLLOHAN, WEST VIRGINIA
JOSEPH M. GAYDOS, PENNSYLVANIA
CHESTER G. ATKINS, MASSACHUSETTS
(202) 226-7103

EXHIBIT A

FLOYD D. SPENCE, SOUTH CAROLINA
JOHN T. MYERS, INDIANA
JAMES V. HANSEN, UTAH
CHARLES PASHAYAN, JR., CALIFORNIA
THOMAS J. PETRI, WISCONSIN
LARRY E. CRAIG, IDAHO
RALPH L. LOTKIN, CHIEF COUNSEL

U.S. House of Representatives

Committee on Standards of Official Conduct
Suite HT-2, U.S. Capitol
Washington, DC 20515

September 23, 1987

RESOLUTION

WHEREAS, The Committee on Standards of Official Conduct has been presented with evidence reasonably indicating that Representative Richard H. Stallings expended funds from his campaign account not attributable to bona fide campaign purposes in March and April of 1987 in violation of House Rule XLIII, clause 6; and

WHEREAS, pursuant to Committee Rule 13, the Committee determines that the evidence of such alleged violation(s) presented by the staff merits further inquiry;

NOW THEREFORE BE IT RESOLVED, that this Committee conduct a Preliminary Inquiry in accordance with Rule 11(a) to determine whether such violation(s) occurred; and

BE IT FURTHER RESOLVED, that the Chairman and Ranking Minority Member may authorize and issue subpoenas, either for the taking of depositions or the production of records, and that all testimony taken by deposition or things produced by deposition or otherwise shall be deemed to have been taken, produced, or furnished in Executive Session; and

BE IT FURTHER RESOLVED, that Representative Stallings be immediately notified of this action and informed of his rights pursuant to the Rules of this Committee.

EXHIBIT B

U.S. House of Representatives

Committee on Standards of Official Conduct
Suite HT-2, U.S. Capitol
Washington, DC 20515
September 23, 1987

Honorable Richard H. Stallings
U.S. House of Representatives
1221 Longworth House Office Building
Washington, D.C. 20515

Dear Colleague:

By direction of the Committee on Standards of Official Conduct, we hereby notify you that the Committee has voted to conduct a Preliminary Inquiry to determine whether you may have committed one or more violations of the Code of Official Conduct, or a law, rule, regulation or other standard of conduct applicable to your conduct in the performance of your duties or in the discharge of your responsibilities.

The complete text of a resolution agreed to by the Committee at its meeting on September 23, 1987, is attached, along with a copy of the Committee's Rules of Procedure.

Pursuant to Rule 11(a)(2)(A) of the Committee's Rules, you have the right "to present to the Committee, orally or in writing, a statement respecting the allegations with respect to which the inquiry is being held." If you wish to appear before the Committee to present oral testimony under oath, you must so inform the Committee and a Committee meeting will be scheduled for the purpose of receiving that testimony.

Sincerely,

Julian C. Dixon
Chairman

Acting for:
Floyd D. Spence
Ranking Minority Member

Enclosure

EXHIBIT C

U.S. House of Representatives
Committee on Standards of Official Conduct
Suite HT-2, U.S. Capitol
Washington, DC 20515

September 28, 1987

Mr. Robert F. Bauer, Esquire
PERKINS COIE
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

Dear Mr. Bauer:

As you know, the Committee on Standards of Official Conduct adopted a Resolution of Preliminary Inquiry on September 23, 1987, in connection with certain loans made from Representative Stallings' campaign organization to him and his Administrative Assistant in March and April of this year. By letter dated September 25, 1987, Representative Stallings designated you as his legal representative in this matter. In order that the Preliminary Inquiry can proceed expeditiously, this letter is intended to elicit Representative Stallings' responses to a number of questions that need to be resolved in order for the Committee to reach a prompt disposition. The questions follow.

I. Representative Stallings' loan from his campaign

A. Please confirm whether the information disclosed on the relevant Federal Election Commission (F.E.C.) reports is accurate as to amount borrowed, amounts repaid, and terms of repayment. A copy of the reports is enclosed.

B. In this Committee's report entitled, "Investigation of Financial Transactions of Representative James Weaver With His Campaign Organization", it stated:

> "Any use of campaign funds which personally benefit the Member rather than to exclusively and solely benefit the campaign is not a 'bona fide campaign purpose.' Moreover, a bona fide campaign purpose is not established merely because the use of campaign money might result in a campaign benefit as an incident to benefits personally realized by the recipient of such funds * * * Any other

> interpretation and application of the third prohibition of Rule XLIII, clause 6, would open the door to a potentially wide range of abuse and could result in situations where campaign monies were expended for the personal enjoyment, entertainment, or economic well-being of an individual without any clear nexus that the funds so expended achieved any political benefit to the disbursor (campaign organization) of the funds * * * The test of the propriety of any such campaign expenditure is, in the words of Rule XLIII, clause 6, whether the expenditure is 'attributable to a bona fide campaign purpose' and not whether the campaign has made money from that expenditure. * * * In the case of a campaign organization lending money to its own candidate, the committee would expect such bona fide loan transactions to be attended by facts supporting the need for a loan to the candidate as opposed to a direct expenditure." H. Rept. 99-933, September 30, 1986, pp. 13-14.

In the light of the above, please describe the circumstances giving rise to the loan and explain whether the subject loan was, in the words of the report, to "exclusively and solely benefit the campaign." This question arises in view of Representative Stallings' reported statements to the press, copies enclosed, and a September 14, 1987, letter to the Post-Register, copy enclosed, that the automobile acquired with the borrowed funds was for both campaign and personal use.

C. What was the total purchase price of the automobile acquired with the use of borrowed campaign funds? Please provide a copy of the sales transaction document(s).

D. Did Representative Stallings contact the staff of this Committee for guidance on the propriety of the proposed borrowing prior to the funds having been lent?

E. Did Representative Stallings participate in the process resulting in the subject loan being made from his campaign committee? If so, how.

II. The loan to Representative Stallings' Administrative Assistant

A. Please confirm whether the information disclosed on the relevant Federal Election Commission (F.E.C.) reports is accurate as to amount borrowed, amounts repaid, and terms of repayment. A copy of the reports is enclosed.

B. Please describe the circumstances giving rise to the loan and explain whether the subject loan was, in the words of the Committee's report in the Weaver case, quoted above, to "exclusively and solely benefit the campaign."

D. Did Representative Stallings contact the staff of this Committee for guidance on the propriety of the proposed borrowing prior to the funds having been lent?

E. Did Representative Stallings participate in the process resulting in the subject loan being made from his campaign committee? If so, how.

As noted, it is the Committee's desire to proceed with the subject Preliminary Inquiry as expeditiously as possible. To this end, I offer my full cooperation to achieve this objective.

Finally, and in keeping with past practice of the Committee, I request that Representative Stallings' responses to the foregoing questions to be signed by him and be under oath. In this regard, a certification of the type prescribed by 28 U.S.C. §1746 would be sufficient.

Sincerely yours,

Ralph L. Lotkin
Chief Counsel

RLL:jl

Enclosures

EXHIBIT D

ONE HUNDREDTH CONGRESS
JULIAN C. DIXON, CALIFORNIA, CHAIRMAN
VIC FAZIO, CALIFORNIA
BERNARD J. DWYER, NEW JERSEY
ALAN B. MOLLOHAN, WEST VIRGINIA
JOSEPH M. GAYDOS, PENNSYLVANIA
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(202) 226-7103

FLOYD D. SPENCE, SOUTH CAROLINA
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CHARLES PASHAYAN, JR., CALIFORNIA
THOMAS E. PETRI, WISCONSIN
LARRY E. CRAIG, IDAHO
RALPH L. LOTKIN, CHIEF COUNSEL

U.S. House of Representatives

Committee on Standards of Official Conduct
Suite HT-2, U.S. Capitol
Washington, DC 20515

October 20, 1987

Honorable Richard H. Stallings
U. S. House of Representatives
1221 Longworth House Office Building
Washington, D. C. 20515

Dear Colleague:

As you know, a Preliminary Inquiry was initiated by this Committee on September 23, 1987, in connection with certain loans made from your campaign organization to you and your administrative assistant in March and April of this year. The Committee found, and you agreed, that the subject loans were made in violation of House Rule XLIII, clause 6, which prohibits the making of campaign expenditures not attributable to bona fide campaign purposes. You acknowledged that the transactions were not for the sole and exclusive benefit of the campaign and thus improper in the light of the restriction of the rule.

Notwithstanding the violation, the Committee did conclude that the transactions arose out of your mistaken impression that the loans were solely governed by the Federal Election Campaign Act; and that there was no intent on your part to avoid public disclosure of the loans -- they were fully reported on your F.E.C. reports. While such factors in mitigation are sufficient to avoid a recommendation that further disciplinary action be taken in the matter, the Committee emphasizes that the instant situation arose out of your failure to conform your conduct to the Code of Official Conduct, of which clause 6 is a part. In the Committee's view, Members have the duty and responsibility to be aware of relevant House Rules, rules about which all Members are considered to be on at least constructive notice regarding the guidelines and prohibitions contained therein.

In the light of the above, the Committee has determined that the appropriate disposition of the matter is to formally and publicly reprove you for your failure to act in accordance with Rule XLIII, clause 6, and to notify you that any further violation by you in connection with controlling standards of conduct may well result in a recommendation that disciplinary action be considered by the House.

Sincerely,

JULIAN C. DIXON
Chairman

FLOYD D. SPENCE
Ranking Minority Member

APPENDIX I

ID/02

JUL 31 1987
RECEIVED MAIL

REPORT OF RECEIPTS AND DISBURSEMENTS

For An Authorized Committee
(Summary Page)

USE BLACK INK ONLY
TYPE OR PRINT

1. NAME OF COMMITTEE (In Full)
Idahoans for Stallings Committee

ADDRESS (number and street) ☐ Check if different than previously reported
P.O. Box 1766

CITY, STATE and ZIP CODE
Pocatello, Idaho 83204

STATE/DISTRICT
Idaho Dist. #2

2. FEC IDENTIFICATION NUMBER
102202

3. IS THIS REPORT AN AMENDMENT?
☐ YES ☒ NO

4. TYPE OF REPORT

☐ April 15 Quarterly Report
☐ July 15 Quarterly Report
☐ October 15 Quarterly Report
☐ January 31 Year End Report
☒ July 31 Mid Year Report (Non-election Year Only)
☐ Twelfth day report preceding _____ election on _____ in the State of _____
☐ Thirtieth day report following the General Election on _____ in the State of _____
☐ Termination Report

This report contains activity for ☒ Primary Election ☐ 1988 General Election ☐ Special Election ☐ Runoff Election

SUMMARY

5. Covering Period: 01/01/87 through 06/30/87

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6. Net Contributions (other than loans)		
a. Total Contributions (other than loans) (from Line 11(a))	54,900.91	54,900.91
b. Total Contribution Refunds (from Line 20(d))	-0-	-0-
c. Net Contributions (other than loans) (subtract Line 6(b) from 6(a))	54,900.91	54,900.91
7. Net Operating Expenditures		
a. Total Operating Expenditures (from Line 17)	25,047.52	25,047.52
b. Total Offsets to Operating Expenditures (from Line 14)	860.68	860.68
c. Net Operating Expenditures (subtract Line 7(b) from 7(a))	24,186.84	24,186.84
8. Cash on Hand at Close of Reporting Period (from Line 27)	32,570.18	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	3,100.00	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	6,207.58	

For further information contact:
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463
Toll Free 800-424-9530
Local 202 376-3120

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer
BARBARA C. BRONT

Signature of Treasurer

Date
July 24, 1987

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

FEC FORM 3

8701337124

SCHEDULE C
(Revised 3/86)

LOANS

Page 1 of 1 for Line Numbers 4 (Use separate schedule for each contributing line)

Name of Committee (in Full)
IDAHOANS FOR STALLINGS COMMITTEE

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Gary Catron 6423 Eastleigh Court Springfield, VA 22152 Election: ☐Primary ☐General ☐Other (specify)	$1,000.00	-0-	$1,000.00
Terms: Date Incurred 03/09/87 Date Due 09/10/87 Interest Rate 7 % Secured ☐ Unsecured ☐			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Richard H. Stallings 116 Birch Rexburg, Idaho 83440 Election: ☐Primary ☐General ☐Other (specify)	$4800.00	$2,700.00	$2,100.00
Terms: Date Incurred 4/17/87 Date Due None Interest Rate 7 % Secured ☐ Unsecured ☐			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
SUBTOTALS This Period This Page (optional)			
TOTALS This Period (last page on this line only)			

SCHEDULE B — ITEMIZED DISBURSEMENTS

Page 1 of 1

FOR LINE NUMBER: 21

NAME OF COMMITTEE (In Full)
IDAHOANS FOR STALLINGS COMMITTEE

	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Full Name, Mailing Address and ZIP Code Richard H. Stallings 116 Birch Rexburg, Idaho 83440	Loan Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	04-17-87	$4,800.00
B. Full Name, Mailing Address and ZIP Code Gary Catron 6423 Eastleigh Court Springfield, VA 22152	Purpose of Disbursement LOAN Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	03-09-87	1,000.00
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional)			
TOTAL This Period (last page this line number only)			5,800.00

SCHEDULE A — ITEMIZED RECEIPTS

Page 13 of 9 4 9

FULL NAME OF COMMITTEE (In Full)

IDAHOANS FOR STALLINGS

A. Full Name, Mailing Address and ZIP Code Richard H. Stallings 116 Birch Rexburg, Idaho 83440	Name of Employer U.S. Congress	Date (month, day, year) 5/18/87 6/8/87	Amount of Each Receipt this Period 2,400.00 300.00
Receipt For: ☐ Primary ☐ General ☒ Other (specify) Loan Repayment	Occupation	Aggregate Year-to-Date > $	2,700.00
B. Full Name, Mailing Address and ZIP Code Richard H. Stallings 116 Birch Rexburg, Idaho 83440	Name of Employer U.S. Congress	Date (month, day, year) 5/18/87 6/8/87	Amount of Each Receipt this Period 28.00 9.70
Receipt For: ☐ Primary ☐ General ☒ Other (specify) Interest on loan	Occupation	Aggregate Year-to-Date > $	37.70
C. Full Name, Mailing Address and ZIP Code First Security Bank of Idaho 751 East Clark Pocatello, Idaho 83201	Name of Employer NF	Date (month, day, year) 1/30/87 2/28/87 3/31/87 4/30/87	Amount of Each Receipt this Period 2.55 3.01 36.18 42.40
Receipt For: ☐ Primary ☐ General ☒ Other (specify) Interest on savings	Occupation	Aggregate Year-to-Date > $	84.14
D. Full Name, Mailing Address and ZIP Code Same	Name of Employer	Date (month, day, year) 5/31/87 6/30/87	Amount of Each Receipt this Period 38.71 47.15
Receipt For: ☐ Primary ☐ General ☒ Other (specify) Interest on savings	Occupation	Aggregate Year-to-Date > $	170.00
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General Other (specify)	Occupation	Aggregate Year-to-Date > $	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General Other (specify)	Occupation	Aggregate Year-to-Date > $	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General Other (specify)	Occupation	Aggregate Year-to-Date > $	
SUBTOTAL of Receipts This Page (optional)			2,907.70
TOTAL This Period (last page only)			

87-12-15

APPENDIX 2

RICHARD H. STALLINGS
2d District, Idaho

1221 Longworth Building
Washington, DC 20515
(202) 225-6611

Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEE ON AGRICULTURE
COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY
SELECT COMMITTEE ON AGING

September 29, 1987

RECEIVED
1987 SEP 30 PM 2 40
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The Honorable Julian C. Dixon
Chairman, House Committee on
Standards of Official Conduct
2400 Rayburn H.O.B.
Washington, D. C. 20515

Dear Mr. Chairman:

With reference to the Preliminary Inquiry discussed in your recent letter to me, this is to advise you that the loans made by my campaign committee to myself for $4,800 and to my administrative assistant for $1,000 have both been paid back to the committee in full at seven percent interest.

I remain hopeful that there will be an early resolution to this matter by your Committee.

Thank you.

Sincerely yours,

Richard H. Stallings
Member of Congress

P.S. Your counsel is very intelligent. Thanks

APPENDIX 3

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

October 5, 1987

RECEIVED

Ralph Lotkin, Esq.
Chief Counsel
Committee on Standards
of Official Conduct
HT2 The Capitol
Washington, D.C. 20515

Dear Mr. Lotkin:

Enclosed you will find a statement by Congressman Stallings responding to questions presented in your letter of September 28, 1987. The Congressman asks also that this letter, prepared by the undersigned as his counsel, be incorporated as part of his response to the Committee at this stage of the proceedings.

The Congressman's statement speaks for itself. The Congressman does not dispute liability. He concedes that under the Committee's interpretation of House rules presented in its report in the Weaver case, Investigation of Financial Transactions of Representative James Weaver With His Campaign Organization, Rpt No. 99-933 (99th Cong. 2nd Session), the borrowings he authorized from the campaign were not consistent with the stated requirements of those rules.

At the same time, the Congressman has made it clear that while he wishes to cooperate with the Committee toward a prompt disposition of the matter, he believes that any sanctions imposed should be proportionate to the offense. The Congressman has suffered a relatively severe penalty already as a result of this Committee's announcement of its Preliminary Inquiry. You will recall that this announcement was batched with two others -- one concerning a Member against whom the Committee issued a Statement of Alleged Violation, another concerning a Member convicted in recent days of felony offenses. The batching of the Stallings announcement with these other announcements had the predictable effect of making all the alleged transgressions in these instances appear to be on a comparable footing. And indeed this is in large part how the announcement was treated by the press.

None of this is to suggest that the Congressman should not accept responsibility for what has taken place; but it is to suggest that these proceedings be conducted with a view toward avoiding unnecessary damage to his reputation and standing with his community. I urge, therefore, that the Committee bear in mind the following:

1. It is clear that Congressman Stallings had every innocent intent in authorizing the borrowings in question, because his campaign committee made full disclosure of them on the public record in filings with the FEC and did so with the understanding, shared by the Congressman and Mr. Catron, that the FECA did not prohibit them.*/;

2. All of the loans made were short-term in character and in relatively small amounts. Moreover, while this does not address the question of "sole and exclusive" campaign use, each of the loans was repayable with interest;

3. The loans have been fully repaid.

In these circumstances, I ask that the Committee report issued in this matter not recommend disciplinary action. I note that the Committee in Weaver resolved against disciplinary action on the basis that the Congressman "disclosed the fact of his borrowings from his campaign organization and, therefore, there was no evidence of an intent to avoid public notice of those transactions." The Committee concluded that "these circumstances dictate that no disciplinary action be taken on this matter." Weaver, supra at p. 16. (Emphasis added)

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*/ Mr. Catron clearly recalls making the call in question to the FEC and receiving what he took to be assurance that the law did not prohibit the proposed loan. At the time of recent press attention in Idaho to the loan, he contacted the FEC again to confirm, with Ms. Christina Vanbrakle, that the agency had a record of the original telephone conversation. Thus, it may be that Mr. Catron and his original FEC contact did not communicate clearly on the correct response to his question; but there is no question that he made the call, understood (correctly or incorrectly) that the proposed loan was permissible and proceeded on that understanding. It is also beyond question that the FEC routinely provides advice informally on FECA requirements through its toll-free information line and by other means, and that, while this advice is not binding on the agency, many of those receiving this advice act on it -- for there would otherwise be no point in their seeking the advice in the first place. I make this statement with confidence as an attorney who has practiced before the agency for 11 years.

This recommendation was approved unanimously by the Committee. The facts of this matter are, in any event, less involved and present no basis upon which the Committee would arrive at any more severe conclusion in the matter of sanctions.

Finally, in the interest of an expedited resolution, the Congressman waives his right under Committee Rules 11, 12 and 16 but conditions this waiver on a favorable disposition by the Committee of his request for an oral presentation, by counsel or in person, in support of his strongly held view that no disciplinary action is warranted.

Very truly yours,

Robert F. Bauer

2642B

October 5, 1987

Ralph Lotkin, Esq.
Chief Counsel
Committee on Standards
of Official Conduct
HT 2 The Capitol
Washington, D.C. 20515

Dear Mr. Lotkin:

I am responding to your letter dated September 28, 1987 setting forth certain questions about loans made by my principal campaign committee to myself and my administrative assistant, Mr. Gary Catron. Following the format of your inquiry, I supply answers to each of the questions in turn:

I.A. The information presented on the relevant report of our principal campaign committee to the Federal Election Commission ("FEC"), which is enclosed with your inquiry, is correct.

I.B. I had experienced disabling mechanical difficulties with a car I had used for a range of purposes, campaign-related and personal, when I was in the District. As I have stated publicly, those purposes included but were not limited to campaign purposes.

Upon locating a used car to replace the one I then currently owned, I arranged with my campaign committee to make a short-term loan to me, repayable with interest, to enable me to make full payment on the car. In the end, on a purchase price of $5,621.50, I made a payment from personal funds of $821.50 and the campaign loaned me the balance of $4,800.

Because the use I contemplated for the automobile was mixed, including both campaign and personal uses, I am unable to state that the loan made to me for the used car purchase was to "exclusively and solely benefit the campaign." Please note, however, that my loan followed closely in time the one I authorized to Mr. Catron, which he accepted after obtaining what he believed to be confirmation from the FEC that the loan would not violate applicable federal law. This was my understanding in authorizing the loan to Mr. Catron and my

understanding as well in proceeding with the loan for the used car intended for the purposes I have described.

I.C. The total purchase price of the automobile was $5,621.50, evidenced by the sales transaction document attached in accordance with your request.

I.D. I did not contact the staff of the Committee on Standards of Official Conduct for "guidance on the propriety of the proposed borrowing prior to the funds having been lent." The error I made in this instance was overlooking the requirements of the House rules on the mistaken assumption that the matter was controlled by the Federal Election Campaign Act ("FECA"). And, as I stated, I was under the impression from my earlier experience with the loan to Mr. Catron that the FECA did not present any prohibition on loans of this nature repayable with interest over a very short term.

I.E. The loan was made upon my request to the campaign committee.

II.A. The information presented on the FEC reports, enclosed with your inquiry, is correct.

II.B. Mr. Catron approached me some time before March 9, 1987 to discuss the question of whether he could borrow a limited amount of money, over a short period of time, from my campaign committee, repayable with interest. Mr. Catron had a short-term need for funds for personal purposes. It was my understanding that Mr. Catron contacted the FEC and determined that there was neither prohibition nor precedent standing in the way of proceeding with the proposed loan. On this basis, the loan was made. In the circumstances, I cannot state that this was a loan to "exclusively and solely benefit the campaign."

II.C. Neither I nor Mr. Catron contacted the staff of the committee for "guidance on the propriety of the proposed borrowing prior to the funds having been lent." The reasons for this omission appear in my response to I.D.

II.D. The loan to Mr. Catron by the principal campaign committee was made with my explicit authorization.

I certify, under penalty of perjury, that the foregoing is true and correct. Executed on Oct. 5, 1987.

Richard H Stallings

Richard Stallings
Member of Congress

2641B

Subscribed and sworn to before me this 5th day of October, 1987

John Paul Jones
NOTARY PUBLIC D.C.

My Commission Expires June 30, 1992

VEHICLE BUYERS ORDER

TOYOTA MF

Stone's Town & Country Motors, Inc.
South Yellowstone Hwy.
REXBURG, ID 83440
356-9066

STOCK NO. _____

PURCHASER'S NAME RICHARD H. STALLINGS OR DIANE STALLINGS (Print or Type)

DATE 4/17/87 19____

PLEASE ENTER MY ORDER FOR ONE 1985 DODGE ARIES ☐ NEW ☒ USED ☐ DEMO AS FOLLOWS:

MAKE	MODEL	COLOR	TYPE	YEAR 19
DODGE	ARIES	MAROON	SEDAN	1985

SERIAL NO. AND/OR ENGINE NO. 1H3HD26C1FF174969

TO BE DELIVERED ON OR ABOUT 4/17/87

CASH PRICE OF VEHICLE		5350.00
WARRANTY DODGE		N/A
TOTAL		5350.00
TAX		267.50
LICENSE N/A TRANSFER N/A TITLE 4.00 REGISTRATION FEE N/A		4.00
(1) TOTAL CASH DELIVERED PRICE		5621.50
DOWN PAYMENT: CASH DEPOSIT SUBMITTED WITH ORDER	N/A	
ALLOWANCE FOR USED VEHICLE TRADE-IN, AS APPRAISED	N/A	
LESS BALANCE OWING TO -	N/A	
(2) TOTAL DOWN PAYMENT		N/A
AMT. DUE ON DELIVERY (1 Less 2)		5621.50
UNPAID CASH PRICE		5621.50

DESCRIPTION OF TRADE-IN

MAKE	MODEL	TYPE	YEAR 19
			DODGE

ENG. NO. | LICENSE NO. | TITLE NO.

SER. NO.

ALL WARRANTIES, IF ANY, BY A MANUFACTURER OR SUPPLIER OTHER THAN DEALER ARE THEIRS, NOT DEALER'S, AND ONLY SUCH MANUFACTURER OR OTHER SUPPLIER SHALL BE LIABLE FOR PERFORMANCE UNDER SUCH WARRANTIES UNLESS DEALER FURNISHES BUYER WITH A SEPARATE WRITTEN WARRANTY OR SERVICE CONTRACT MADE BY DEALER ON ITS OWN BEHALF. DEALER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE (A) ON ALL GOODS AND SERVICES SOLD BY DEALER, AND (B) ON ALL USED VEHICLES WHICH ARE HEREBY SOLD "AS IS — NOT EXPRESSLY WARRANTED OR GUARANTEED".

The front and back of this Order comprise the entire agreement affecting this purchase and no other agreement or understanding of any nature concerning same has been made or entered into, or will be recognized. I hereby certify that no credit has been extended to me for the purchase of this motor vehicle except as appears in writing on the face of this agreement.

THIS ORDER IS NOT A BINDING CONTRACT.

I have read the matter printed on the back hereof and agree to it as a part of this order the same as if it were printed above my signature. I certify that I am of legal age, or older, and hereby acknowledge receipt of a copy of this order.

Rocky Kazmierczak
SALESMAN

APPROVED _____
THIS ORDER IS NOT VALID UNLESS SIGNED AND ACCEPTED BY DEALER

BY _____

CREDIT APPROVED _____

SALESMAN OR DEALER HAS NOT AGREED TO ANY ADDITIONAL EQUIPMENT ON THIS VEHICLE THAT IS NOT WRITTEN ON THIS ORDER

SIGNED: X Richard H. Stallings PURCHASER

ADDRESS 110 9TH W

REXBURG ID 83440

PHONE (RES.) _____ (BUS.) _____

36P (11-77) PADDED FORMS

LITHO IN U. S. A.